



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 12, 2008

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Status Report On Underground Utility Assessment Districts

### RECOMMENDATION:

That Council receive an update and Status Report on Underground Utility Assessment Districts (UUAD).

### DISCUSSION:

#### Background

The UUAD program was established to help neighborhoods accomplish the undergrounding of existing overhead utilities. Council previously approved contracts to hire the Assessment Engineers and initiate utility company design services for the Ferrelo Road UUAD and Eucalyptus Hill Road UUAD. Once a UUAD is approved, the City will be reimbursed for all the Assessment Engineering, utility design services, and City staff and consultant support costs. These costs will be made part of the assessment levied against the properties that are part of the approved benefit assessment district.

#### UUAD Process

As reported in the May 22, 2007 UUAD Status Report to Council, staff has updated and improved the public outreach component of the Steps for Forming a Private Residential UUAD packet. These improvements include staff controlling and disseminating UUAD related information at the onset to ensure interested neighborhoods get accurate and timely benefit assessment district-related information to gauge initial support.

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REVIEWED BY: \_\_\_\_\_ Finance \_\_\_\_\_ Attorney

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Soon after hiring the Eucalyptus Hill Road UUAD Assessment Engineer, staff recognized differences between the Ferrelo Road and Eucalyptus Hill Road Assessment Engineer's approaches. Consequently, staff has worked with Assessment Engineers and the City Attorney's Office to create consistent citywide assessment criteria guidelines that could be applied uniformly throughout the City.

By utilizing the updated assessment guidelines, staff can better assist neighborhoods with identifying initial project boundaries prior to the submittal of a petition to Council to initiate a UUAD. Once a UUAD is initiated and the preliminary Assessment Engineer's Report is prepared, the updated procedures stipulate that staff will arrange a meeting with the neighborhood to provide them with UUAD boundary adjustment options to consider. These improvements are anticipated to assist neighborhoods through the UUAD process.

#### Other Interested Neighborhoods

In addition to the Ferrelo Road, Eucalyptus Hill Road, and Chapala Street UUADs, staff has been contacted by, and is working with, an additional eight neighborhoods interested in forming their own UUADs. Locations include Roble Lane, Arbolado Road, Rubio Road, Bel Air Knolls, North Ontare, Braemar Ranch, La Coronilla and Rametto Road (Attachment). These neighborhoods are still in the early concept stages.

#### Ferrelo Road UUAD Status

Utility design work is complete and the final project estimate has increased from the \$420,000, estimated at preliminary design, to \$530,000. The actual cost will not be known until a construction bid is received.

On January 16, 2008, a neighborhood information sharing meeting was held to inform the property owners of the latest project updates, revised assessment criteria, draft of the final Assessment Engineer's Report, and boundary adjustment alternatives for the neighborhood to consider. Cost estimates for the alternatives were provided. Staff is following-up with each property owner to gauge their support for the baseline project or any boundary adjustment alternatives.

Next steps include finalizing the Assessment Engineer's Report, bidding the work, and then returning to Council to consider approval of the Assessment Engineer's Report and the posting of the final public meeting for mailed balloting. The project would then return to Council for a third and final time for a public hearing and counting of the ballots. At the public hearing, the City Council shall consider all protests against the proposed assessment. Currently, there appears to be more property owners in opposition to the UUAD than in favor of it. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financing obligation of the affected property

as determined by the approved Engineer's Report and the level of benefit conferred upon each parcel.

#### Eucalyptus Hill Road UUAD Status

On May 22, 2007, Council approved initiation of the Eucalyptus Hill Road UUAD. Purchase Orders were approved to hire the Assessment Engineer, and utility company design service contracts were secured. On November 14, 2007, a neighborhood meeting was held with the district property owners to discuss project status, preliminary design concerns and updated assessment criteria. Southern California Edison (SCE) has requested direction from the neighborhood on design issues regarding utility pole removal that could result in district boundary revisions. Additionally, three new properties were identified by the Assessment Engineer as receiving a special benefit and must now, in accordance with State Proposition 218, be included in the project boundary. The public meeting was well received and the project is progressing well.

Next steps include preliminary SCE design, coordination of SCE design with the other utility companies, and preparation of a preliminary Assessment Engineer's Report. Staff anticipates this work to take approximately six months.

#### Chapala Street UUAD

The neighborhood property owners have submitted a petition to request Council initiate the Chapala Street UUAD. Of the 129 property owners, 105 have signed the petition in support. Staff worked closely with the neighborhood to ensure that timely dissemination of project related information was received by property owners in advance of signing the petition.

#### Conclusion

The UUAD program continues to be of great interest to many City residents. Staff is working with the Finance Director to explore financing alternatives and staff expects to return to Council this summer with UUAD financing recommendations for Council to consider.

To further assist neighborhood organizers and the public, staff has developed a website containing key information for initial and subsequent distribution. This website will provide an additional resource for information and will likely contribute to the continued success of the UUAD program.

**SUSTAINABILITY IMPACT:**

Undergrounding overhead utilities within the City contributes to the safety and sustainability of the City power and communication systems.

**ATTACHMENT(S):** Map of Potential UUADs

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**SUBMITTED BY:** Paul Casey, Acting Public Works Director

**APPROVED BY:** City Administrator's Office



